

**DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE**

**MULTIPLE DELIVERY/TASK ORDER CONTRACTS  
JUSTIFICATION FOR AN EXCEPTION TO FAIR OPPORTUNITY (JEFO)**

I recommend that the U.S. DEPARTMENT OF THE TREASURY use limited awardees for the acquisition of the following supplies or services available under an indefinite-delivery contract. If this acquisition is to be made with only one awardee or a limited number of awardees, negotiations will be conducted with the indicated proposed supplier(s) in accordance with FAR 16.505 (b)(2)(ii)(B):

**1. DESCRIPTION OF SUPPLIES OR SERVICES**

IRS Office of Cybersecurity, Security Risk Management, Enterprise Fisma Compliance requires contractor support to provide Security Risk Management; National Institute of Standards and Technology (NIST) compliant Security Assessment and Authorization support; Federal Information Security Management Act (FISMA) Enterprise Continuous Monitoring support; Cybersecurity Customer Liaison support; Security Risk Assessment; Control Risk Assessment; and, Control Impact Assessment support. This contract will be a six month bridge contract. Bridge contract support is required by IRS Office of Cybersecurity. Period of Performance: Date of award on March 25, 2014 through September 24, 2014.

The Contractor must structure work to support these functions by providing guidance and deliverables in compliance with all applicable policies and procedures including NIST, FISMA, OMB, Treasury and IRS directives. The Contractor must provide technical and program management advice, guidance, and support services. The Contractor will provide Customer support that will enable the Customer to continue safeguarding the confidentiality, integrity and availability of IRS IT systems.

The contract will result in FFP & CPFF CLINS that correspond to the following task areas:

- Program Management Support (FFP & CPFF)
- ECM/AA (CPFF)
- Period of Performance Summary Reporting (CPFF)
- SA&A/Recertification and New Apps (CPFF)
- Event-Driven Security Controls Assessment (E-D SCA) (CPFF)
- ECM-R (CPFF)
- Security Assessment Services Support (CPFF)
- ESAT (FFP)
- Affordable Care Act Support (ACA) (FFP)

This contract will be a six month bridge contract to provide support while the TIPSS Branch performs the required reviews to make the new award under TTN 4128 Enterprise FISMA compliance.

Period of Performance: March 25, 2014 through September 24, 2014.

**2. REQUISITION NO.**

Q-4-QS-41-FC-P00-000 \$908K  
Q-4-QW-02-PS-I00-000 \$825K  
Q-4-QE-70-CS-E02-000 \$45K  
Q-4-QR-01-A1-E04-000 \$42K

**3. COST ESTIMATE**

**\$4.9M**

**4. NAME(S) OF PROPOSED SOURCE(S)**

VariQ Corporation  


TIPSS 4 Base Contract No. TIRNO-11-D-00070

**REQUESTING OFFICE CERTIFICATION**

I certify that the attached justification is accurate, and contains complete data necessary to support the recommendation for only one or limited awardees justification and approval.

<b>5. REQUESTING OFFICE REPRESENTATIVE</b> <i>(Name &amp; Title)</i>  [REDACTED]	<i>(Signature)</i>  	<i>(Phone No.)</i>  [REDACTED]	<i>(Date)</i>  
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**SMALL BUSINESS CERTIFICATION**

I have reviewed the awardee list to locate small businesses for this procurement. If any were found, a list is attached.

<b>6. SMALL BUSINESS SPECIALIST</b> <i>(Name and Title)</i>  [REDACTED]	<i>(Signature)</i>  	<i>(Phone No.)</i>  [REDACTED]	<i>(Date)</i>  
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**PROCUREMENT OFFICE CERTIFICATION**

I certify that this submission is accurate, and that it contains complete information necessary to enable Approving Officials to make an informed recommendation for approval or disapproval.

<b>7. ASSIGNED CONTRACTING OFFICER</b> <i>(Name)</i>  [REDACTED]	<i>(Signature)</i>  	<i>(Phone No.)</i>  [REDACTED]	<i>(Date)</i>  
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Before requesting this procurement, state one statutory authority for this procurement to be conducted under "exception to fair

opportunity" procedures. Provide narrative justification associated with the respective stated authority in block number 13.

**STATUTORY AUTHORITY EXCEPTIONS (FAR 16.505 (b)(2)(i))**

*(place an "X" in appropriate box and complete the rest of the form)*

<b>8.</b>	<b>FAR 16.505 (b) (2) (i) (A) – Need is so urgent that providing fair opportunity would result in unacceptable delays.</b>  This authority applies in those situations where (1) an urgent need precludes fair opportunity, and (2) delay in award of a delivery or task order would result in serious injury, financial or other, to the Government. (Explain why the agency's need for the supplies or services is so urgent that the Government would be seriously injured unless it limited the number of awardees. Solicitation from as many potential awardees as is practicable under the circumstances is required).
<b>X</b>	<b>9. FAR 16.505 (b) (2) (i) (B) – Only one awardee is capable of providing the supplies/services required at the level of quality required because they are unique or highly specialized; or brand name specification.</b>  Explain what makes this awardee the only responsible source i.e., Does this proposed contractor have facilities or equipment that are specialized and vital to the effort? Is the proposed contractor the only one that can meet critical schedules? Does the proposed contractor have prior experience of a highly specialized nature vital to the effort? Does the contractor have an exclusive licensing agreement? Why won't any other product or service satisfy the need? What are the unique features of the product that are unavailable in any other brand or products? Why was this particular product and/or vendor chosen? Are these features available in other models? Describe the rationale for the brand name specification. Describe the market survey and analysis efforts leading to this conclusion. In addition, for brand name, indicate that "the use of such description in the acquisition is essential to the Government's requirements, thereby precluding consideration of a product manufactured by another company)."
<b>10.</b>	<b>FAR 16.505 (b) (2) (i) (C) – The order must be issued on a sole-source basis in the interest of economy and efficiency because it is a logical follow-on to an order already issued under the contract, provided that all awardees were given a fair opportunity to be considered for the original order.</b>  Explain why the work is a logical follow-on and provide information on the original fair opportunity for the first order. The rationale shall describe why the relationship between the initial order and the follow-on is logical (e.g., in terms of scope, period of performance, or value).
<b>11.</b>	<b>FAR 16.505 (b) (2) (i) (D) – It is necessary to place an order to satisfy a minimum guarantee.</b>  This authority applies when it is necessary to award the delivery/task order to a particular awardee or awardees in order to satisfy the minimum contractual guarantee.
<b>12.</b>	<b>FAR 16.505 (b) (2) (i) (E) – A statute expressly authorizes or requires that the purchase be made from a specified source (for orders exceeding the SAT).</b>  This authority may be used when a statute expressly authorizes or requires that the acquisition be made through another agency or from a specified source. (Cite the authority that expressly authorizes that the acquisition be made through another agency or from a specified source, and attach a copy of the statute). <b>Note:</b> While this statutory exception includes the small disadvantaged business 8(a) set-aside program, a JEFO is not required for this type of procurement unless the amount exceeds \$20 million.

**13. JUSTIFICATION (ADD PAGES IF NEEDED)**

**A. DEMONSTRATION THAT THE PROPOSED CONTRACTOR'S UNIQUE QUALIFICATIONS OR THE NATURE OF THE ACQUISITION REQUIRES USE OF THE AUTHORITY CITED.**

VariQ is the currently performing this work. While a new award, TTN 4128 under TIPSS, is being evaluated and awarded, we do not want a large gap in service. Continuation of our current requirements, as well as transition time for the new award is necessary for continued service to our business customer as well as ensuring our timelines are met for the fiscal work year. The previous knowledge held by VariQ is complex due to constant changes to Cybersecurity regulations. The knowledge VariQ has is unique and is not quickly transferred to a new contractor. We require them to continue until a transition is in place to a new task order and to allow a new contractor to become familiar with the complexity of the work if necessary. Without contractor support, the Cybersecurity office would be unable to meet their Cybersecurity reporting work schedule.

**B. DESCRIBE THE EFFORTS TAKEN TO ENSURE OFFERS WERE SOLICITED FROM ALL MULTIPLE-AWARD CONTRACTORS, INCLUDING WHETHER A FAIR NOTICE OF INTENT TO MAKE A PURCHASE (WITH CLEAR DESCRIPTION OF SUPPLIES/SERVICES AND THE BASIS UPON WHICH THE SELECTION WILL BE MADE) WAS/WILL BE PUBLISHED ON THE AGENCY'S WEB PAGE FOR ALL AWARDEES TO SEE AS REQUIRED BY FAR 16.505(b)(1)(iii)(B)(1). STATE "ALL CONTRACTORS RESPONDING TO THE NOTICE OF FAIR OPPORTUNITY CAN SUBMIT AN OFFER AND HAVE THAT OFFER FAIRLY CONSIDERED."**

All TIPSS-4 Small Business (SB) Cybersecurity awardees were given a fair opportunity to be considered for the current solicitation RTCP#4128, based on TIPSS policies and procedures for Solicitation. There will be a bridge contract for 6 months to complete the award of the new TIPSS-4 order that was solicited to all offerors under the TIPSS-4 Small Business (SB) Cybersecurity contract. A fair notice of intent was sent to each TIPSS 4 Small Business Cybersecurity base contract awardee. All awardees responding to the notice of fair opportunity can submit an offer and have that offer fairly considered.

**C. DEMONSTRATION THAT THE ANTICIPATED COST TO THE GOVERNMENT WILL BE FAIR AND REASONABLE.**

The contractor's proposal will be evaluated for fairness and reasonableness by the Contracting Officer and a Technical Evaluation Team (TET) by comparing prices/costs and labor hours with prior and similar task orders issued, by verifying the negotiated labor hourly rates already established in the basic IDIQ TIPSS-4 contract, and by performing cost and price analysis techniques in accordance with FAR Subpart 15.404.

D. DESCRIBE THE MARKET RESEARCH CONDUCTED AMONG ALL AWARDEES AND THE RESULTS OF THE RESEARCH (E.G., HISTORICAL ORDERING INFORMATION, LIST AWARDEES THAT EXPRESSED AN INTEREST IN WRITING IN THE ORDER AND THE RESULTS OF THAT INTEREST).

Market research was conducted prior to the TIPSS 4 Contract base award. RTCP# 4128 was solicited to all TIPSS-4 awardees, giving each awardee a fair opportunity to be consider for the award.

E. DESCRIBE ANY OTHER FACTS TO SUPPORT THE JUSTIFICATION.

VariQ is currently is currently performing the duties for these services. While a new award is being evaluated and awarded under TIPSS TTN 4128, a gap in service would have a negative impact on the availability of IT systems. This justification is made in order to avoid stoppage of vital work for the IRS and continue critical performance until the new task order being competed is awarded. The existing task order was competed in a full and open manner. A new task order is in preparation with a projected award date of April 10, 2014. This timeframe was computed using the TIPSS-4 Milestone spreadsheet and should allow sufficient time for a transition from the current task order to the new task order.

F. LIST THE ACTIONS, IF ANY, THAT THE BUREAU WILL TAKE TO REMOVE OR OVERCOME ANY BARRIERS THAT LED TO THE EXCEPTION TO FAIR OPPORTUNITY BEFORE ANY SUBSEQUENT ACQUISITIONS FOR SIMILAR SUPPLIES OR SERVICES.

The new award, TTN 4128 Enterprise FISMA Compliance (EFC) was competed among the 18 TIPSS 4 Small Business Cybersecurity Contractors. It is always the intent of the Government to compete new requirements among all the TIPSS-4 vendors before any order for supplies or services can be made.

G. STATEMENT THAT REQUIREMENT DOES NOT RESULT FROM A LACK OF PLANNING OR THE EXPIRATION OF FUNDS.

This requirement is not the result the result of lack of planning or the expiration of funds.

### ADDITIONAL APPROVALS

<b>OVER \$650,000</b>	<b>14. BUREAU COMPETITION ADVOCATE</b> <i>(Name &amp; Title)</i> <div style="background-color: black; width: 150px; height: 30px; margin-top: 5px;"></div>	<input type="checkbox"/> <b>APPROVE</b>  <input type="checkbox"/> <b>DISAPPROVE</b>	<i>(Signature)</i>  	<i>(Phone No.)</i>
				<i>(Date)</i> <div style="background-color: black; width: 100px; height: 20px; margin-top: 5px;"></div>
<b>OVER \$12.5 MILLION</b>	<b>15. BUREAU HEAD OR SENIOR EXECUTIVE SERVICE DESIGNEE</b> <i>(Name &amp; Title)</i>	<input type="checkbox"/> <b>APPROVE</b>  <input type="checkbox"/> <b>DISAPPROVE</b>	<i>(Signature)</i>  	<i>(Phone No.)</i>
				<i>(Date)</i>
<b>OVER \$62.5 MILLION</b>	<b>16. SENIOR PROCUREMENT EXECUTIVE</b> <i>(Name &amp; Title)</i>	<input type="checkbox"/> <b>APPROVE</b>  <input type="checkbox"/> <b>DISAPPROVE</b>	<i>(Signature)</i>  	<i>(Phone No.)</i>
				<i>(Date)</i>

**NOTE:** Each review must be preceded by lower level approval(s), e.g., over \$62.5 million all approvals are required. **IN NO CASE WILL AN INDIVIDUAL SIGN MORE THAN ONE APPROVAL LEVEL.**